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April 20, 2018

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
 Chief Clerk/Administrator  
 The Public Service Commission of South Carolina  
 101 Executive Center Drive, Suite 100  
 Columbia, South Carolina 29210

Re: **Docket No. 2017-381-A** – Impact of the Tax Cuts and Jobs Act on South Carolina Utilities

Dear Ms. Boyd:

Nucor Steel-South Carolina, a Division of Nucor Corporation (“Nucor”) is a large industrial customer served by Duke Energy Progress, LLC (“DEP”). Nucor uses massive amounts of electric energy at its steel plant in Darlington, South Carolina, at a cost of millions of dollars a year. Since economic and reliable power is critical to Nucor operations, Nucor regularly and actively participates in proceedings before this Commission.

On December 28, 2017, the Office of Regulatory Staff (“ORS”) filed a petition asking the Commission to examine the impact of the Tax Cuts and Jobs Act (the “Act”) on the South Carolina utilities under the Commission’s jurisdiction. Among other things, the Act reduced the federal corporate tax rate from 35% to 21%. ORS’ petition also requested that the Commission order rates in effect on January 1, 2018 be subject to refund so that customers would receive the benefits of the reduced corporate tax rate as of the effective date of the Act.

On January 10, 2018, the Commission issued Order No. 2018-26, which directed jurisdictional utilities to file comments reporting on the impact of the Act no later than January 24, 2018.

On April 6, 2018, ORS filed a Motion to Preserve Tax Benefits for Ratepayers (“April 6 Motion”). In this motion, ORS expressed concern about the possibility of the tax benefits for customers not being preserved in the case of some utilities, and requested that the Commission take certain additional actions to preserve these benefits.

Nucor appreciates the continued efforts by ORS in this proceeding and its interest in preserving the full benefits of the corporate tax reduction for consumers. Nucor agrees that these benefits should be preserved, and that all benefits should ultimately be flowed to

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consumers. We would like consumers to begin to see the benefits as soon as reasonably possible. Moreover, we would like to understand specifically how our utility proposes to address this issue. Accordingly, Nucor supports the objectives of the April 6 Motion.

Nucor is not fully aware of the specific situation related to other jurisdictional utilities and Nucor's particular interest in this matter is in the rates of DEP, its supplier. In this regard, Nucor notes the commitment DEP has made in this proceeding to defer these reduced tax benefits as a regulatory liability "until the Commission determines the timing and nature of returning such benefits to retail customers."<sup>1</sup> We understand their commitment to mean that DEP has acted to preserve the complete tax benefits until direction has been given by the Commission as to how to flow those benefits to consumers. Duke also proposes to provide information as to its specific plans regarding these benefits in a May 31, 2018 filing. We appreciate Duke's commitments in this regard and look forward to reviewing DEP's filing.

Finally, Nucor appreciates the Commission's efforts to address these important issues and for the opportunity to comment on this matter. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Smith II", with a stylized, cursive script.

Robert R. Smith II  
Counsel for Nucor Steel – South Carolina

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<sup>1</sup> Together with Duke Energy Carolinas, LLC ("DEC"), DEP made this commitment first in initial comments filed in this docket on January 24, 2018. DEP and DEC then affirmed this commitment in an April 12, 2018 letter in this docket responding to the April 6 Motion.